

## **Financial Issues**

Most people do not think about the financial aspects of health care when they are sick. They just want to get well. Not surprisingly, many people do not think about their health when they are well. Unfortunately, with the number of different insurance plans with varying degrees of coverage, many people find out the hard way that it is best to ask questions about cost and insurance coverage before a visit to the doctor. In non-emergency situations, especially elective surgery, you should assume that you *will* be responsible for out-of-pocket costs, which can be significant. Most physicians' first concern is getting the patient well, but with the ever-increasing importance of insurance and managed care, cost has become a consideration. Therefore, you should protect yourself by being an informed consumer.

### ***Regulations***

Most professions' billing practices -- from electricians to physicians -- are not regulated by the government. There are no regulations, for example, which prevent a physician from charging interest on an unpaid bill. There are also no regulations limiting what a physician can charge for a particular service except for copies of medical records. Therefore, the Board does not have jurisdiction to investigate complaints of this nature. The Board does investigate fraud, which is billing for services which were not provided; overutilization, which is providing and billing for unnecessary services; and overcharging for copies of medical records. The following are regulations which involve billing:

- A physician may refuse to treat you if you owe money unless you are experiencing a medical emergency, which is a set of circumstances which immediately threatens a person's life or is likely to cause serious injury without immediate professional assistance. 243 C.M.R. 2.07 (10)
- Physicians may not bill Medicare recipients for more than the charge established by the United States Secretary of Health and Human Services. 243 C.M.R. 2.07 (15)
- Physicians may not refuse to release a copy of your medical record if you owe money. They may, however, hold the copy until you pay the cost to reproduce the record. Up to \$0.25 per page and \$20.00 per hour for clerical time is allowed by Board regulations. (See pamphlet about medical records or review 243 C.M.R. 2.07 (13))

### ***Billing Complaints Involving Insurance Companies***

The most common complaints about billing arise from issues of insurance coverage. Insurance plans that pay a portion of the bill (often 80 %) sometimes limit what they will pay for a procedure. They set what they call "reasonable and customary" fees for procedures and will only pay their percentage of those fees. These fees are often less than what a physician charges for the service. This means that you may be responsible for more than 20 % of the bill (using the 80/20 % example). This situation occurs *frequently* with insurance companies used by out-of-state employers. Find out beforehand how much the physician charges for the

service and what your insurance company will pay. It might be worthwhile to see if another physician would provide the same service for less if there is a large difference between the physician's fee and the insurance coverage. In some cases, the Attorney General's Regulated Industries Division may be able to help resolve disputes of this nature. Call (617) 727-2200 and ask for the Insurance Hotline.

### ***Problem Prevention***

The following are good practices to use when contracting for services such as a physical exam or elective surgery:

- Find out what service is being provided, if any tests are needed or included, how much the service will cost and what your insurer will pay. Try to get this information in writing. It is not always practical or possible, but it is the best way to protect yourself.
- Always write down the date, time and name of the person you talked to and take notes of the conversation.
- Do not sign any documents agreeing to be responsible for charges until you know what those charges will be.

### ***How to Resolve a Billing Dispute***

- Be polite yet persistent. Diplomacy is the best course of action.
- Explain your financial situation and ask if the physician would accept a lower amount and/or a payment plan. Many physicians would rather do this than send the bill to a collection agency or take you to court.
- Legally, you are still responsible for the bill even if you are unhappy with the results of surgery or feel that you were misdiagnosed. If the physician feels your concerns are legitimate, he or she *may* be willing to reduce or cancel the bill.
- Check with the physician's office and your insurer to make sure the correct billing codes were used.
- If the dispute involves your insurance company, contact the company and/or your employer to see if the insurance company will increase its payment. (The insurance company may have used an incorrect zip code when determining the "reasonable and customary" fee. The service provider's zip code should be used.) Be sure to let the physician know that you have done this.
- **It is always best to communicate in writing.** Sending the letter certified, return receipt requested, will provide confirmation that the letter was delivered. (Keep a copy of the letter for your records.)
- Most importantly, do not ignore the bill. Making whatever payments you can afford will often help you if you need to obtain credit in the future.

### **Disclaimer**

The preceding information is advice given by the Consumer Protection Unit. The information is provided for the benefit of consumers and is subject to change. You may refer to the Board's regulations, 243 CMR 1.0, for more information.

You may purchase a copy of the Board's regulations, 243 CMR 1.0, from the State House Bookstore by sending a check or money order for \$6.15 (made payable to the Commonwealth of Massachusetts), along with \$2.60 postage affixed to a self-addressed 9" x 12" envelope to the State House Book Store, State House, Room 116, Boston, MA 02133. You may also find this information in law libraries and some town libraries.

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